

**SUMMARY OF MAJOR CHANGES TO CHAPTER 21
DOD 7000.14-R, VOLUME 7B
MILITARY PAY POLICY AND PROCEDURES FOR RETIRED PAY**

New and revised instructions are indicated by a ★ placed immediately before the new or revised section, paragraph, subparagraph, decision logic table, etc.

Page	Paragraph	Explanation of Change/Revision	Effective Date
21-1	2101	Addresses non-discretionary allotments of retired pay or retainer pay, to include effective dates for starting, changing, and stopping insurance allotments.	Oct 1, 1997
21-2	Table 21-1		
21-3	Table 21-2		
21-4	Table 21-3		

CHAPTER 21

NON-DISCRETIONARY ALLOTMENTS★2101 NON-DISCRETIONARY ALLOTMENTS

210101. United States Savings Bonds. Retired members may purchase U.S. Savings Bonds. Denominations of issue and pay deduction schedules will be established in the operating instruction of the Military Services. The purchase price of the bonds is one-half of the face amount. Bond purchases in 1 calendar year may not exceed \$15,000 (purchase price). Bonds may be mailed to any authorized address.

210102. Voluntary Liquidation of Indebtedness. An allotment for repayment of an indebtedness to the United States is registered for a definite period required to liquidate the indebtedness. Retired members may make allotments to:

A. Repay defaulted notes insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs (DVA).

B. Pay delinquent Federal income taxes. A member may execute an agreement with the Internal Revenue Service (IRS) to pay delinquent taxes by monthly deductions from retired pay. Agreements are made by executing an IRS Form 2159.

C. Repay any other indebtedness to any department or agency of the United States Government.

D. Pay delinquent state, or local income or employment taxes.

210103. Charitable Contributions. Retirees are authorized to establish an allotment for making charity contributions to any of the Service Relief organizations. EFT is required for this type of allotment. Individual organizations are responsible for identifying an account for payment issue. Charity allotments include:

A. Army Emergency Relief Society

B. Navy and Marine Corps Relief Society

C. Air Force Assistance Fund

EFFECTIVE DATES FOR STARTING INSURANCE ALLOTMENTS (D, M, V, OR N)				
	A	B	C	D
R U L E	If a retired member of	is authorized a class	and the	then start allotment effective the first day of the month
1	any Military Service	N allotment		before the month in which insurance premium is due (note).
2			insurance policy is dated back to save age	in which application is made. Retiree must pay the reserve to cover previous months by direct payments to VA.
★3	the Army or Air Force	D allotment		specified by retiree, if authorization reaches the servicing finance center before the date specified in Military Service procedural regulations.
★4	the Navy or Marine Corp	D or M allotment		
★5	any Military Service	D or V allotment		the date submitted by the Veterans Group Life Insurance through the automated data exchange process.

NOTE:

A U.S. Government or National Service Life Insurance allotment deducted for 1 month pays the premium for the succeeding month. For example, if premium for July is paid by allotment, allotment must be effective June 1.

★Table 21-1.
Effective Dates for Starting Insurance Allotments (D, M, V, or N)

EFFECTIVE DATES FOR CHANGING INSURANCE ALLOTMENTS (D, M, V, OR N)					
	A	B	C	D	E
R U L E	If a retired member of	has a class	and	then stop present allotment effective the last day of the month	then start new allotment effective the first day of the month
★1	the Army or Air Force	D or N allotment	the retiree or fiduciary or guardian requests a change in allotment	specified in request if allotment change can be processed by the date specified in procedural regulations of the concerned Military Service	after the month old allotment is stopped.
★2	the Navy or Marine Corps	D, M, or N allotment			
3	any Military Service	N allotment	allotment was authorized in incorrect amount or effective date	before its effective date	specified in original request or authorization of the date requested by the DVA.
★4		D or V allotment	the OSGLI automated data exchange provides a change in the allotment	as specified by the automated data exchange process	specified by the automated data exchange process.

★Table 21-2.
Effective Dates for Changing Insurance Allotments (D, M, V, or N)

EFFECTIVE DATES FOR STOPPING INSURANCE ALLOTMENTS (D, M, V, OR N)				
	A	B	C	D
R U L E	If a retired member of	has a class	and	then stop allotment effective the last day of the
★1	the Army or Air Force	D or N allotment	the retiree requests the allotment be stopped	month specified by the retiree, if authorization reaches the servicing DFAS Center before the date specified in procedural regulations of the Military Service concerned.
★2	the Navy or Marine Corps	D, M, or N allotment		
3	any Military Service	N allotment	the application for insurance is disapproved by the VA	month before the effective starting date of the allotment.
★4	the Army or Air Force	D allotment	has insufficient “net” pay to satisfy IRS Notice of Levy for delinquent income tax determined by IRS to be a “problem case”	month before the month in which IRS levy is received (stop insurance allotments only if discontinuance of other voluntary allotments will not satisfy levy).
★5	the Navy or Marine Corps	D or M allotment		
★6	the Army or Air Force	D or N allotment	has pay suspended (note 1) or insufficient pay	last month in which enough pay accrues to satisfy deduction. Avoid stopping allotment unnecessarily or earlier than required.
★7	the Navy or Marine Corps	D, M, or N allotment		
★8	the Army or Air Force	D or N allotment	dies	(note 1.)
★9	the Navy or Marine Corps	D, M, or N allotment		
★10	any Military Service	D or V allotment	the retiree or OSGLI requests the allotment	month specified by the retiree, if authorization reaches the servicing DFAS Center before the date specified in Military Service procedural regulations; for OSGLI as specified by the automated data exchange process (note 2).

NOTES:

1. See procedural regulations of Military Service concerned.
2. Advise OSGLI immediately of reason for stoppage of allotment if it was discontinued by the automated data exchange process.

★Table 21-3
Effective Dates for Stopping Insurance Allotments (D, M, V, or N)

Chapter 21-Non-Discretionary Allotments

2101-Non-Discretionary Allotments	210101 thru 210103	DoDD 7330.1, January 14, 1986
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